WORKING UP A DEBT: STUDENTS AS VULNERABLE CONSUMERS

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Abstract

Students are recognised as vulnerable consumers where financial matters are concerned, particularly with reference to indebtedness. This study examines student indebtedness in order to initiate wider debate about student vulnerability. We consider vulnerability as dynamic and temporal, linked to an event that renders the consumer susceptible to becoming vulnerable. Using data collected from a relatively small-scale survey of UK university students, this study arrives at the following key findings: reasons for debt are many and varied, typically linked to changes associated with study year; the placement year is a critical time for student debt in response to changes in circumstances and specifically lifestyle expectations; students are not accessing the best sources of advice to help them with financial decisions; and the findings suggest student insouciance towards debt with potential long term consequences. This study extends existing knowledge of consumer vulnerability and calls for greater efforts to be made to raise awareness about student indebtedness.

Keywords: vulnerable consumers, debt, advice, wellbeing, students, insouciance

Introduction

Against a background of the increasing normalization of indebtedness in western societies (Peñaloza and Barnhart, 2013), this study investigates debt amongst UK university students. Students are frequently considered to be a vulnerable consumer group (Seaward and Kemp, 2000; Tuncay and Otnes, 2008) with explicit linkages made between vulnerability and indebtedness by the Financial Conduct Authority (FCA, 2015) and charities such as StepChange (2016). Furthermore, research has highlighted the increase in student indebtedness as they progress through their studies (Davies and Lea, 1995). The aim of this preliminary study is to respond to calls for more understanding of consumers' vulnerability (for example Hogg et al. 2007) through an investigation into student indebtedness. As well as adding to knowledge, this study will enable a clearer understanding which should enable higher education institutions to direct their resources effectively to support students in learning how to manage their money.

The level of personal debt in the UK is a concern for government and society. Recent figures have identified that 15 million people in the UK are experiencing financial difficulty (StepChange, 2016). Debt is defined in terms of arrears, that is, the amount of outstanding money that is owed to a creditor (Brennan et al.2011) or more simply an amount of money that has been borrowed. Graduates are expected to leave university with debt of over £44,500, largely due to their student loan, (FT, 2016). Debt is a concern in itself, but it also has wider implications. Indebtedness is linked to general diminishment of well-being, in particular depression and alcohol abuse (Johnson, 2013); and in extreme cases suicide (Richardson et al., 2013). Studies with students have also found mental and other health problems occur where being in debt is viewed by the student as an insurmountable burden

(Carney et al., 2005). Students with debt, it can be argued, are therefore less likely to have a positive view of their time at university (Roberts et al., 1999, 2000).

Despite being of above average intelligence, students have been identified as vulnerable consumers where financial matters are concerned as they are in the main young, may have very little financial experience and have a low income (BIS, 2013; FSA, 2015; Braunsberger et al., 2004; Rivard, 2002). However, defining consumer vulnerability of the basis of who the person is (i.e. a student) lacks clarity and can result in differences in those we perceive as vulnerable and those who actually are vulnerable (Baker et al. 2005; Smith and Cooper-Martin, 1997). Institutions in higher education need to have a solid understanding of student vulnerability to debt if they are to provide a positive student experience. In particular information about why students borrow, where they source their borrowing and what advice they seek and the impact of indebtedness on their wellbeing will inform university policies and add to understanding of vulnerable consumers.

This paper is structured as follows; first we define a vulnerable consumer and support the call for consumer vulnerability to be seen as dynamic and temporal. We then consider consumer, and in particular student, vulnerability in the context of financial services. This is followed by an examination of student borrowing, financial decision making and debt; and finally the link between debt and well-being is presented. The methodology then follows which leads into the empirical findings from our survey with UK students. The paper concludes with a discussion and conclusion.

Literature review

Vulnerable consumers

The term vulnerable consumer has its origins in law when, in the early 1900s, the courts began to recognise that especially susceptible consumers with idiosyncratic reactions should not be excluded from protection in cases involving allergic reactions to certain products, for example, hair dye, clothing dye and pharmacy prescriptions (Morgan et al. 1995). The term has subsequently been broadened to include other conditions and situations where any consumer is at risk of detriment. It is recognised that there is complexity in the identification of the vulnerable consumer, for example, according to the European Commission (2016), consumer vulnerability is multi- dimensional with characteristics like age and gender increasing vulnerability in some indicators, but not in others. Although there is general agreement on what vulnerability means, as a term, consumer vulnerability has been a misunderstood and misused concept (Baker et al. 2005). Typically, it has been used to categorise a group of individuals who share similar demographic or other characteristics that are considered to render them all vulnerable. Gender, education, race and age as well as bereavement, divorce and redundancy are just some of the variables used as a means of identifying vulnerable consumers. However, there has not been consistent evidence for grouping consumers on this basis (see Commuri and Ekici, 2008 for a discussion on the use of demographics) and indeed some research has questioned whether such groups, for example elderly people, are vulnerable at all (Berg (2015). Unsurprisingly, many consumers resent being labelled as vulnerable (Brennan and Coppack, 2008) purely on the basis of some broad demographic or other characteristics. Moreover, being labelled as vulnerable can result in stigma, anxiety or resentment among those who do not consider themselves to be vulnerable (Baker et al. 2005). There is therefore limited support for grouping consumers with such a broad-brush approach as this practice can be both unhelpful and undesirable (Commuri and Ekici, 2008).

Financial services and vulnerable consumers

Utility companies and financial services have been concerned with consumer vulnerability and debt with Ofgem (2013) recognising the situational aspects of vulnerability. According to the FCA (2015), the vulnerable consumer is

> *.. someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care*
>
> *(FCA, 2015, p 20)*

This definition also alludes to, through the term 'personal circumstances', the dynamic and temporal nature of consumer vulnerability. Vulnerability may arise from a combination of individual characteristics but similar individuals exposed to different market conditions are unlikely to be vulnerable at the same time (see also EC, 2016). Individuals, therefore, may be susceptible to becoming vulnerable but it takes an external entity or stimulus to trigger this susceptibility of vulnerability and may be thus out of the control of the individual (Andreasen and Manning, 1990). Vulnerability may therefore not be permanent but a temporal state (Baker et al. 2005; Baker and Mason, 2012) influenced by situation, personal factors and market conditions. Equally, as vulnerability may be temporal, it can be transformative, enabling vulnerable consumers to learn from mistakes and to emerge as less or even no longer vulnerable (Ringold, 2005).

Students may not readily be identified as vulnerable. They are more likely to have extended decision processes, greater cognitive ability and efficiency in search (Lawrence and Elliehausen, 2007). All of these factors should improve their ability to make financial decisions, nonetheless the FCA (2005) identifies students as vulnerable consumers with respect to financial services on the basis of their youth, low income and lack of experience with managing money (FCA, 2005). These conditions are exacerbated by tolerance for debt (Davies and Lee, 1995) deriving from a predisposition to over-optimism about future income and capacity for debt management. Amongst the student population, there are therefore a number of factors which indicate a propensity to indebtedness.

Student borrowing, financial decisions and indebtedness

In spite of a propensity towards indebtedness, students have traditionally been considered an attractive market for financial service organisations due to their potential to earn above average salaries post-graduation (Lewis and Bingham, 1991). As a result, financial services organisations have continued to target this group with offers of credit in an attempt to secure them early in their studies, for example, with fee-free bank overdrafts available as soon as they open their account. It is therefore not surprising that concerns about student indebtedness have been raised in the UK with universities and government (The Independent, 2016) and the US (Financial Educators Council, 2016).

The types of debt and sources from which students can borrow are wide-ranging. Families, for example, support sons, daughters and grandchildren (Save the Student, 2015). Students in England, where university fees are payable, may source the funds for these fees and living expenses from the Student Loan Company. Students may also access funds from commercial sources of credit such as overdrafts, credit cards and payday loans. Students therefore expect to incur debt as indeed do house owners, car purchasers and credit card users, thus normalising indebtedness for students. However not all borrowing may be from reputable or traditional sources. Students may not know how to access unbiased and independent sources of information or they may rely on sources which are not particularly robust such as friends, family or the internet. Indeed, individuals with a low financial literacy and/or those that make their own financial decisions are known to make inferior decisions when using online information compared to those with higher levels of financial literacy and/or who seek professional advice (Gaudecker and Von, 2015). This situation is problematic as the quality differs between the way consumers and experts search for and appraise online information (Sillence and Brigs, 2007). As students are relatively inexperienced with household budgets and money management, seeking the 'right' advice could help to mitigate their vulnerability to indebtedness. Poor or poorly informed choices may result in debt and weak management practices blighting student life and indeed may persist into later life. In order to be able to address the problem, an understanding of how students manage their money is essential.

Debt and wellbeing

The link between indebtedness and personal wellbeing is established (see Richardson et al, 2013 for a review). For students, embarking on university life can in itself present additional stressors, such as moving away from home, settling into a new city or country, examination pressure and making new friends. In addition, they are required to live by often managing a limited budget. Studies of UK students have identified that poor mental health is linked to financial problems, concerns about finances, level of debt and concerns about debt (Andrews and Wilding, 2004; Carney et al., 2005; Cooke et al., 2004; Jessop et al., 2005). Indebtedness can even result in students abandoning their university study (Roberts et al., 1999, 2000).

Economic forecasts predict that the cost of living will increase in the UK, post Brexit (ONS, 2017), which will affect student budgets. There is an even greater need to understand how to address student vulnerability through instilling greater awareness of controlling expenditure so as to minimise unnecessary debt. Over-indebtedness is therefore a state which is likely to have damaging consequences for students. In this study, we seek to increase understanding of student indebtedness through determining why students borrow, where they source their borrowing, what advice they seek and the impact of debt on their personal wellbeing. In so doing, we will identify which students are vulnerable and in what situations. Institutions in higher education need to have a solid understanding of student vulnerability to debt if they are to provide a positive student experience. Findings from this research will both inform university policy and debt interventions; and add to our understanding of vulnerable consumers.   In the next section, the data collection and analysis are set forth for this preliminary study.

Method

For the purposes of this study, debt is defined as an unsecured personal loan from a bank, credit card, pay day company or family and friends. Student loans are not included in this study as students are not required to repay student loans during their time at university. Indeed, estimates suggest that more than 40% of students will not repay their loan at all (Howse, 2014).

Data collection was effected by an on-line survey. Items for the survey fell into three main sections as follows:

1. respondent profile data including demographics, study details and level of borrowing (n= 180)
2. debt, the situations in which respondents had incurred debt, type of debt held and sources of information (n= 59).
3. indebtedness and personal wellbeing (n= 59)

Questions in section 2 were informed by the Student Money Survey (Save the Student, 2015), BIS (2013) and the Fleischer and Bassett (2014) survey. The items in Section 3 were drawn from BIS (2013) and NUS (2014) surveys. The final questionnaire consisted of 26 items. To respond to the items, respondents answered using closed format responses, that is, questions required a tick in the box to answer or the selection of a response according to a five- point Likert scale was used (Easterby-Smith et al. 2015). Prior to administering the survey it was subjected to peer scrutiny by academic colleagues and refined in the light of their comments. The refined instrument was then tested in a pilot study and again adjusted in line with the results from this test. The survey was designed and hosted in SurveyMonkey, an intuitive software program that provides a variety of question formats and produces clean data that can be readily transferred to statistical packages for analysis.

To optimise response rates, the on-line survey was promoted to students via the National Student Union, teaching staff and Facebook. A convenience sample was used (Bryman, 2012), drawing on the authors' contacts and snowballing via social media. It is recognised that the results reflect the views of the sample surveyed and may not be generalizable to the UK student population as a whole. Students from 15 UK universities, including Bournemouth University, UCA Yeovil, Northampton University, Kings College, Warwick, Nottingham, Kent, Aberystwyth and Coventry, took part. They could respond to the items during a four week period and at the end of this period, 180 completed and usable questionnaires had been received. The responses were loaded onto SPSS for analysis. Given the small scale nature of this preliminary study, it was deemed appropriate to analyse the data using descriptive statistics to quantitatively summarise the key features of the data. Our aim was to provide an initial exploration of the issues to provide a basis upon which subsequent studies can build.

Findings

The profile of respondents is presented in Table 1. In terms of gender, responses were received from almost an even number of male and female students. The majority of respondents were aged under 22 (66.7%) and studying for an undergraduate degree (78.2%). Most students were full time (95%) and just over half were studying business/management discipline (53.9%). Further analysis of the data and reference to secondary data available from university websites identified these students to be on courses with a placement year. Most of the students originated in the UK (80%).

(insert Table 1 here)

The discussion is organised around the key themes in the questionnaire, beginning with borrowing money in addition to the student loan

Borrowing money

According to the analysis, almost one third (32.7%) of respondents borrowed money (see Table 2). Students were found to be more likely to borrow money as they progressed through their studies rising from 17% to their first year to 44% in their fourth year, a finding consistent with previous studies (Davies and Lea, 1995).

(insert Table 2 here)

Delving deeper into the results on borrowing money, the analysis shows responses to a multiple-choice question on the reasons for borrowing (See Table 3). Almost two-thirds of those that had borrowed money (74.5%) indicated that the borrowing was to cover basic living costs and over half (57.5%), lifestyle costs. A third of those borrowing (33.9%) borrowed because of an unexpected increase in expenditure with over half the borrowers needing extra money for lifestyle costs.

(insert Table 3 here)

The reasons undergraduates gave for getting into debt were further analysed by examining the year of study for undergraduate students (see Appendix 1). The reasons were found to differ. First and second year students experience difficulty in covering basic living costs, while third year students encounter an unexpected increase in expenditure level, most likely due to lifestyle costs. Fourth year students experience problems covering basic living costs and lifestyle costs. Third and fourth year students are the only students to experience an unexpected decrease in income as a reason for getting into debt, albeit confirmed to a small number of students. Given the profile of undergraduate students completing this survey, these results suggest that students experience financial management problems during their placement year which then spill over into their final year when returning to university. As the final year is the most significant in terms of academic performance, students with debt worries may find their performance impaired.

Delving deeper into basic living costs, responses indicated areas of particular expenditure. Second, third and fourth year students cited housing costs and travel expenses as areas of expenditure. High housing costs may be as a result of students moving from student accommodation in their first year to private sector accommodation, which may be further from the university. Moving out of dedicated student accommodation appears to be a critical event for the student owing to increased expenses, which may lead them into debt.

Sources of Finance

According to responses to the survey, almost all students who were in debt had used their family to help finance their debt (86.4%), followed closely by taking a bank overdraft (81.4%) as the main source from which they borrowed money (see Table 4). Christie et al (2002) found that many students undertake mental accounting whereby money from family is typically used for housing, bills and food; whereas money from other sources is used for lifestyle choices. This account could help to explain the variety of sources of money that students draw upon to help them to meet their expenditure.

(insert Table 4 here)

An analysis undertaken for undergraduate students (see Appendix 2) indicated that these students would turn to family and/or bank overdrafts consistently throughout the entire duration of the study programme. Friends were increasingly used in the third year of study, when they were in placement and earning sufficient income to enable them to lend money. Other sources of finance available to students are credit cards, personal loans and payday loans, all costing the students more. These sources of finance were increasingly used during the later stages of an undergraduates' study, particularly in year 3 and 4. Payday loan consumption was lower at 2.5% than other comparable surveys (see for example, BIS, 2013 which places it at 6%), which may reflect an increased awareness of the interest rates charged by payday loans providers. It is worth emphasising at this point that the students who did take out a payday loan were studying full time, undergraduate degrees on a Business and Management course and in their third year of study on placement and so could be assumed to have some reasonable insight into the costs of this type of borrowing.

Sources of advice

The most frequent source of financial advice for the respondents was family, consistent with Ha's (2013) study of female students in Australia. The suitability of family and friends as sources of sound financial advice is far from proven. Students seem reluctant to use independent or accredited sources of advice to assist them with their choices of funding. This reluctance has been observed within a wider population (ilc-uk, 2015) in spite of the ease of accessing services via the student union. In Table 5, the responses to the likelihood of seeking advice from various sources are shown for students who are in debt.

(insert Table 5 here)

Using an internet search as a source of financial advice has surprisingly mixed results for an internet savvy generation, suggesting that there is more work needed here to address questions about digital advice and vulnerable consumers (Hogg et al. 2007).

The majority of students who have debt (83%) are likely or very likely to seek advice from their family (Table 5). This behaviour raises a number of questions. Are students in debt wary of seeking information about their indebtedness or shortage of funds from less intimate sources, that is, is there still a stigma attached to debt? Or are students simply unaware of the different sources of independent advice that they can call on – particularly sources within their university? Students are known to seek advice when debt becomes a serious issue, for example when they are experiencing issues with payday loan companies (Fleischer and Bassett, 2014). This reluctance to seek independent and knowledgeable advice until debt is a problem may also reflect students' overconfidence in their financial abilities. Indeed, this overconfidence could provide further insight into the analysis of how students report their financial decision making as presented in Table 6.

(insert Table 6 here)

Table 6 indicates that students are overwhelmingly aware of the costs of repaying any loan - 97% likely or very likely to evaluate the cost of repayment and 81% assessing the penalties of non or late repayments.

Given the knowledge of students and their financial decision-making, these findings tend to support the view that students may be overconfident in their financial behaviour. This overconfidence may stem from the very same sources that suggest their higher order cognitive ability and efficiency in search (Lawrence and Elliehausen, 2007); however it may not prepare them for the experience of being in debt.

Indebtedness and wellbeing

The responses in Table 7 shows that nearly half of the indebted students were concerned about their debt (48%) with about a third of the respondents expressing little concern (34%). Respondents further acknowledged that their debt was having a negative impact on both their studies and health (34% and 36% respectively). It is interesting to observe that respondents reported that being in debt was having more of an impact on their health than their studies.

(insert Table 7 here)

The findings on indebtedness and wellbeing show a range of responses. Nearly half of the respondents (48%) show a level of concern about their debt but this finding is countered by over half the students not expressing any concern. Over half the respondents do not think that their health is impaired by their debt level, indicating a degree of comfort or even *insouciance* with debt. There is some consistency with the earlier findings of over confidence. In the following section, the findings are summarised and discussed.

Discussion and conclusions

The aim of this preliminary study was to generate insight into the debate on consumer vulnerability, responding to calls for research in this area (see for example Hogg et al. 2007) by investigating student indebtedness. We considered consumer vulnerability to be a dynamic, temporal predicament perhaps linked to an event that renders the consumer susceptible to vulnerability. Students fulfil many of these criteria. For this preliminary study, we sought information about student indebtedness. In particular, we examined the reasons for debt, sources of advice and the impact of indebtedness on wellbeing.

Within the student group under study, we have found evidence to support the notion that a broad-brush approach to classifying groups as vulnerable is, as Commuri and Ekici (2008) suggest, unhelpful. Not all students in this study are in debt, indeed only 33% of students classified themselves as being in debt, that is, in addition to any student loan. The reasons for indebtedness were found to be many and varied, typically linked to events and changes associated with year of study. Previous studies have identified an increase in debt as students pass through their studies (Davies and Lea, 1995). The findings from this study provide further detail on the circumstances in which proneness to debt occurs. Two key undergraduate segments or groups emerge as susceptible, those moving out from managed accommodation as they enter their second year of study and those in and returning from placement. Moving out from university managed accommodation is a key time for students as they undergo a transition to independent living (Christie et al, 2002). The importance of money management increases as students must budget to cover the additional costs of living as well as increased transport costs to and from university. Although students have cognitive strengths they remain vulnerable at this time due to the temporal combination of demographic and situational factors.

Many researchers have focused on the placement year; however this focus has been on the impact on academic performance (Ceschin et al, 2016; Jones et al, 2015) or the subsequent enhanced career opportunities upon graduation. The placement year (and subsequent return to study) is however another key transition period (Gracia, 2010) where the student needs to first adjust to managing an increase in income and then readjust to the return to a decrease in funds. Each presents its own challenges as the student also experiences dynamic and temporal changes in lifestyle experiences from student to professional to student. Our results suggest that each transitional period can result in students becoming more susceptible to debt. In the case of the student placement, paradoxically, students may be quite literally working up a debt at the very time when their income increases. Our results indicate that students borrow from family and take out an overdraft early in their studies; both are low cost borrowing options as most bank overdrafts are free to students. However students are particularly susceptible to becoming vulnerable in the later years of their studies as financial service institutions may not provide a sufficient duty of care. Placement students are usually in full-time employment, but it is questionable whether credit cards and payday loans are appropriate when they will be returning to full-time education within a year. Students could reduce their vulnerability at this time if they were to seek independent advice (Gaudecker and Von, 2015), however evidence from this survey did not suggest that they took this course of action, which has been noted in the previous research (Devlin 2006). Although students in this survey reported using the internet as a source of financial advice, it would be dangerous to conclude that they are all digital natives, highly adept users of technology (Bennett, and

Maton, 2010). Indeed, this source of information is likely to be poorly used (Gaudecker and Von, 2015) and at the same time contribute to an over confidence in their financial decision-making.

Finally, the students who were in debt as defined by this study did not seem to be overly concerned with their indebtedness. We find this level of *insouciance* to be important and speculate that students are becoming inured to debt. Being in debt, it has been asserted, is now normalised (Peñaloza and Barnhart, 2013).

Practical Implications

Formal money management is typically provided to students as part of induction. A key weakness of such education is that it is not delivered at the point at which consumers need it, i.e. at the point of purchase (Mandell et al. 2007) and is soon forgotten without use (Hilgert and Hogarth, 2002). The students taking part in our survey demonstrated a clear need for additional support in order to understand money management and thereby reduce their potential vulnerability.

To help improve the financial skills of students further interventions are required to target students as they transition to their second year and before/during/after placement. Such interventions could include money management sessions embedded into courses and/or linked to the placement briefing sessions. Cude et al (2006) suggest that such courses may be better received if they are designed and delivered by the students themselves.

As students in this study were found to be unaware of the support available to them should they experience financial difficulties; better signposting is required. Universities and the NSU are advised to combine their resources in order to signpost more clearly the sources of independent financial advice that are already available on campus. In addition, the relationship between debt and well-being may not clear to all academic and support staff providing a counselling role to students. Early identification can help to ensure that students received the necessary intervention. All staff in counselling roles need to be educated about the impact debt has on student general well-being as part of their training for these roles; and be knowledgeable of the specialist advice and support available to students on and off campus.

Finally, the important role played by family and friends in providing financial advice and support to students was highlighted in this study. However, the suitability of family and friends as sources of sound financial advice is far from proven. It is important that this group are made aware of this role and supported accordingly. Details can be included in the prospectus, HEI web-site and at open days to highlight this role and provide links to money management guidance if required.

This study represents an initial foray into the examination of students as vulnerable consumers in the context of debt. This is an important issue for universities as vulnerable students who are in debt are unlikely to be able to address their studies as well as students who are less indebted (Roberts et al., 1999, 2000). This study was relatively small scale and it would be useful to conduct a similar study with a larger student group with a more representative student population to identify whether the patterns of indebtedness and potential vulnerability that we found are echoed in different student bodies. We would also call for further in-depth ethnographic research to probe the situational aspects and student feelings about indebtedness, building on the work of Peñaloza and Barnhart (2013). Such work would provide greater insight into students' feelings of their own financial vulnerability and will help us to understand how best to equip them to manage their own indebtedness. Andreasen and Manning (1990) believe that vulnerability is often out of the control of the individual; a greater understanding of why certain students are susceptible to vulnerability will help universities to equip students with the skills necessary to regain this control.

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Table 1: Respondent Profile

Respondent characteristics		Frequency	Percentage
Gender	Male	89	49.4
	Female	91	50.6
Age	22 and Under	120	66.7
	23 - 25	30	16.7
	Over 25	30	16.7
Country of Origin	United Kingdom	144	80.0
	Europe	17	9.4
	Other	19	10.6
Level of course	Undergraduate	141	78.3
	Post-graduate	19	10.6
	Doctoral	20	11.1
Basis of study	Full time	171	95.0
	Part time	9	5.0
Length of Course	1 year	16	8.9
	2 years	4	2.2
	3 years	66	36.7
	4 years	93	51.7
	5 years or more	1	0.6
Year of study	1st year	64	35.6
	2nd year	35	19.4
	3rd year	38	21.1
	4th year	41	22.8
	5th year or higher	2	1.1
Subject studied	Business and Management	97	53.9
	Social Studies	19	10.6
	Creative Arts and Design	15	8.3
	Law	10	5.6
	Science	5	2.8
	Engineering, Computing and Technology	5	2.8
	Other	29	16.1

*Table 2: Students borrowing money**

Year of Study	Borrowed (% of total)	Not borrowed (% of total)	Total number of students
First	17	82.8	64
Second	40	60	35
Third	42.1	57.9	38
Fourth	43.9	56.1	41
Fifth year or above	0	100	2
	32.7	67.2	180

*excludes student loan (n=180)

Table 3: Reasons for borrowing

Reason	Percentage of those borrowing*
Cover basic living costs	74.5
Cover lifestyle costs	57.6
Cover studying costs	42.4
Unexpected increase in expenditure	33.9
Unexpected decrease in income	8.5

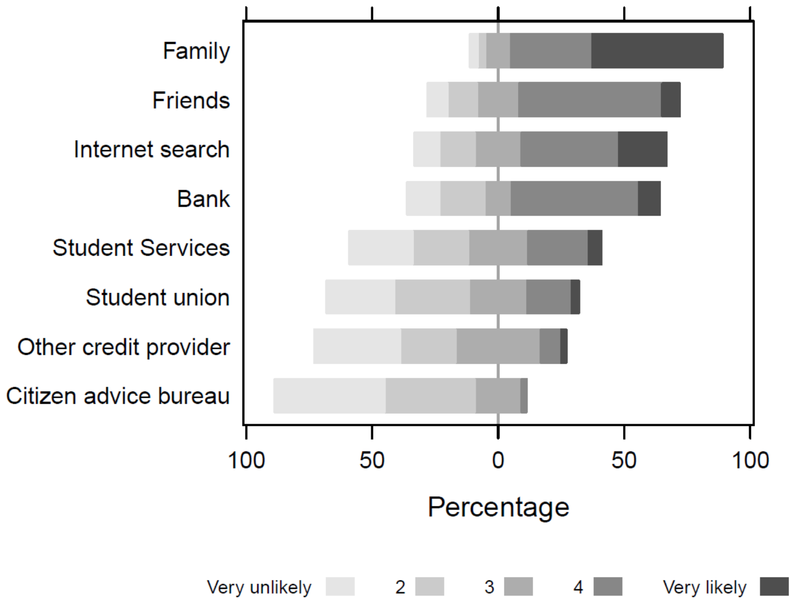
*students could give more than one reason (n=59)

Table 4: Sources of Finance

Source of finance	Percentage
Family	86.4
Bank overdraft	81.4
Friends	35.6
Credit card	18.6
Personal loan	6.7
Payday loan	6.7

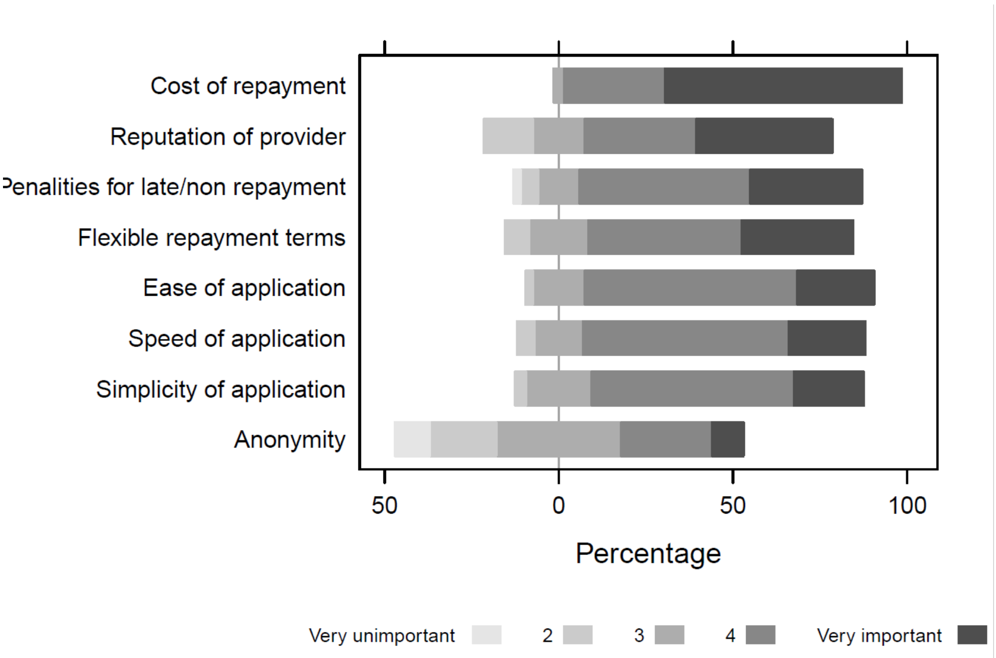
*Students could identify multiple sources (n=59)

Table 5: How likely are students to seek advice



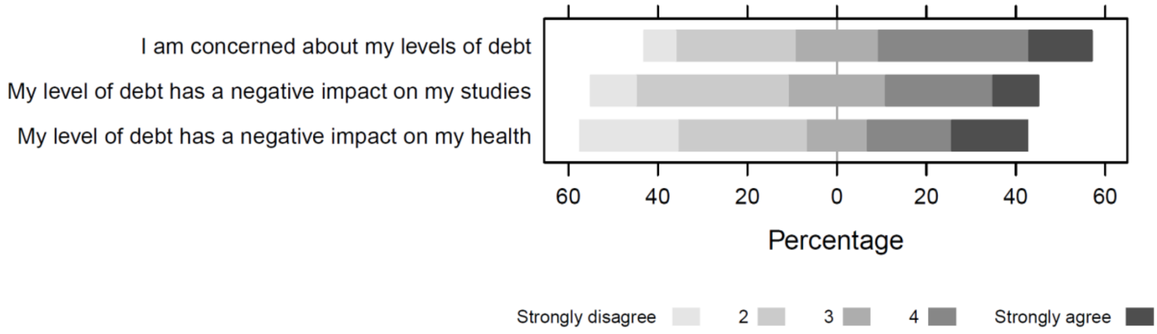
Base: all student with debt (n=59)

Table 6: Evaluating different sources of finance (%)



Base: all student with debt (n=59)

Table 7: Concern about level of debt (%)



Base: all student with debt (n=59)

Appendix 1 Undergraduates Year of Study - Reasons for getting into debt

Current Year of Study		Reasons for getting into debt*					
		studying costs	basic living costs	lifestyle costs	Unexpected increase in expenditure	Unexpected decrease in income	Total number of students by year
	1st	2 25.0%	6 75.0%	5 62.5%	2 25.0%	0 0.0%	8
	2nd	9 69.2%	11 84.6%	4 30.8%	4 30.8%	0 0.0%	13
	3rd	6 42.9%	9 64.3%	10 71.4%	8 57.1%	1 7.1%	14
	4th	6 37.5%	14 87.5%	13 81.3%	5 31.3%	3 18.8%	16
Total		23	40	32	19	4	51

*students could select more than one answer

Appendix 2: Undergraduates Year of Study - Sources of finance used whilst in higher education

		Sources of finance used whilst in higher education*						
		Friends	Family	Bank Overdraft	Credit Card	Personal Loan	Payday Loan	Total number of students by year
	1st	3 37.5%	7 87.5%	6 75.0%	0 0.0%	0 0.0%	0 0.0%	8
	2nd	5 38.5%	12 92.3%	11 84.6%	1 7.7%	0 0.0%	0 0.0%	13
	3rd	7 50.0%	13 92.9%	12 85.7%	1 7.1%	1 7.1%	3 21.4%	14
	4th	4 25.0%	14 87.5%	14 87.5%	7 43.8%	2 12.5%	0 0.0%	16
Total		19	46	43	9	3	3	51

*students could select more than one answer